

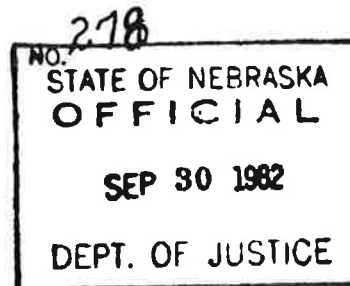
# DEPARTMENT OF JUSTICE

STATE OF NEBRASKA

TELEPHONE 402/471-2682 • STATE CAPITOL • LINCOLN, NEBRASKA 68509

PAUL L. DOUGLAS  
Attorney General  
GERALD S. VITAMVAS  
Deputy Attorney General  
JOHN R. THOMPSON  
Deputy Attorney General

September 29, 1982



Senator John W. DeCamp  
Nebraska State Legislature  
State Capitol  
Room 1116  
Lincoln, NE 68509

Dear Senator DeCamp:

In your letter of September 24, 1982, you request our opinion on the constitutionality of a proposal to eliminate the personal property tax on business equipment. Article VIII, Section 2, of the Nebraska Constitution provides that the Legislature may classify personal property in such manner as it sees fit, and may exempt any of such classes. It appears that the proposal to exempt this class of personal property comes squarely within the terms of this constitutional provision. Business equipment appears to be a reasonable class, for the purpose of exemption, and we can see no constitutional impediment to such an exemption.

You also say that to relieve the narrowed tax base, \$25 million would be appropriated from sales and income tax to the counties based on the formula contained therein. Since you did not include with your letter a copy of the proposed reimbursement formula, we obviously cannot comment upon it. We remind you of the difficulties that were encountered in formulating a valid reimbursement formula

Assistants  
Bernard L. Packett  
Mel Kammerlohr  
Harold I. Mosher

Marilyn B. Hutchinson  
Patrick T. O'Brien  
J. Kirk Brown

Ruth Anne E. Galter  
John M. Boehm  
G. Roderic Anderson

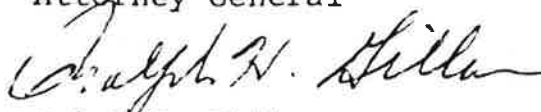
Martel J. Bundy  
Mark D. Starr  
Dale D. Brodkey

Senator John DeCamp  
September 29, 1982  
Page 2

after the total exemption of business inventories, agricultural income producing machinery, livestock, etc. Similar difficulties may be encountered in reimbursing the taxing subdivisions for losses incurred because of the imposed exemption. We cannot, however, comment upon these matters without having seen the proposal.

Very truly yours,

PAUL L. DOUGLAS  
Attorney General

A handwritten signature in cursive script, appearing to read "Ralph H. Gillan".

Ralph H. Gillan  
Assistant Attorney General

RHG/pmw

cc: Mr. Patrick J. O'Donnell  
Clerk of the Legislature